

## Transforming Consumer Well-being through Service Ecosystems: The Case of Disruptive Events

*“When there is so much chaos and destruction or your local market burns to the ground, you feel obliged to help others [...] it’s easy just to give up, fall back and crumble! [...] when you’re faced with daily struggles and have to feed your family, it [struggling] becomes a way of life! People realise that the extraordinary is actually just ordinary and despite all the violence, we still stand united!” (Hiba)*

### INTRODUCTION

The struggles that Hiba refers to are typical of daily occurrences in Iraq. Having been subject to political sanctions since the nineties and the armed conflict since 2003, Iraq has encountered severe periods of disruption (Katsos and Alkafaji, 2017). Similarly, since 2011, mass protests, demonstrations and armed conflict in which is now known as the ‘Arab Spring’ revolution has swept across other Arab countries such as Egypt and Libya. Citizens supporting the Arab Spring initially flocked in their masses to speak out against the state and demand economic and social reforms (Anderson, 2011). These, disruptive events, e.g. political revolutions and incidents, are understood by Giesler and Thompson (2016) to be occurrences and events which change over time. These occurrences uncover rich service encounters within a complex service ecosystem, and demonstrate the coming together of communities in order to alleviate inequality and poverty (Blocker and Barrios, 2015).

To date, Transformative Service Research (TSR) has attended to our understanding of service ecosystems (e.g. Baron et al., 2017, Finsterwalder et al., 2017; Koskela-Huotari et al., 2016; Lusch et al., 2017). However, conflict, power relations and disruptive events within these studies has received limited attention with the exception of Skalen et al. (2015). We argue that institutions and how service ecosystems evolve in disruptive events warrant the attention of researchers, as deeper understanding of ‘uplifting changes and improvements in the well-being of both individuals and communities’ is needed (Anderson 2010, p.9). Furthermore, as Baron et al. (2017) cogently note, it is necessary to delve deeper and explore the daily activities of actors through an institutional framework. Institutions are viewed as the mechanisms that marry actors’ together (Baron et al., 2017, Siltaloppi et al., 2016).

In addressing these calls within the TSR, we examine several key agendas. Firstly, we draw from interdisciplinary insights and specifically illustrate how social conflict theory can better contribute to understanding a service ecosystem across disruptive events. We contend that by framing social conflict theory in a TSR context permits a better understanding of consumer well-being and can enhance societal cohesion (Anderson et al, 2013; Ostrom et al., 2010). Secondly, we explore the daily activities of various actors, and explore how the ordinary is made extraordinary during periods of conflict. Whilst the service ecosystem research agenda contend that it functions at three levels i.e. macro, meso and micro (Patricio et al., 2011; Teixeira et al., 2012), considerably less attention has been paid to service ecosystems at a societal and indeed consumer level; a similar point alluded to by Baron et al. (2017). Finally, through challenging the institutions and actors within a service ecosystem, we are able to provide greater direction for peace-building efforts, well-being and prosperity for individuals enmeshed within disruptive events.

The remainder of the paper is structured as follows. We present a succinct review of the literature on service ecosystems and ground this within institutional and social conflict theory.

Our method procedures then follow with our empirical findings. We frame our findings within the existing literature in the discussion section.

## BACKGROUND

There is a growing interest within the literature regarding service eco-systems (Anderson and Ostrom, 2015, Baron et al. 2017). According to Vargo and Lusch (2016, p. 11-12) a service ecosystem is ‘a relatively self-contained, self-adjusting system of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange’. In particular, within an eco-system, the emphasis is on institutions i.e. the norms, rules, meanings, symbols and practices which the connected actors share (Baron et al., 2017; Sitaloppi et al., 2016). These service ecosystems are operational across multiple boundaries and are not confined to consumers at any given hierarchical or societal layer. In particular, a service ecosystem provides the grounds for consumers (i.e. a type of actor) who find themselves below the level of consumption adequacy to be co-creators of value (Baron et al., 2017). Within TSR, there is an emphasis on enhancing the lives of individuals, society more broadly and also the overall ecosystem (Anderson and Ostrom, 2015).

Furthermore, the current TSR agenda lends itself to the concepts of conflict and power, and in particular, we examine how social conflict theory provides insight into a service ecosystem. Social conflicts are made up of many competing factors such as; 1) behaviours, which can be seen to be harmful to others, 2) objects e.g. service ecosystem encounters, 3) parties or actors, taking part in opposing each other, and 4) intervenors, actors that attempt to mediate conflict for the purposes of prosperity and well-being. Social conflicts are said to happen when two or more actors invest time in serving mutual interests (Barrios et al., 2016). Sometimes these interests are interdependent and/or incompatible or when there are tensions between challengers and/or incumbents (Skalen et al., 2015). Similarly to Skalen et al. (2015), we contend that service ecosystems are shaped by challengers and incumbents. For example, consumers caught up within disruptive events are understood by Giesler and Thompson (2016, p.505) to engage in ‘recursive disruption’, whereby they ‘actively contribute to disruptive changes that, in turn, reshape and often constrain their conditions of possibility’. Thus, consumers can be seen one of the most instrumental actors in determining the trajectory of a service ecosystem. Such disruptive events such as the Arab Spring and the ongoing political and militant insurgency in Iraq echo Giesler and Thompson’s (2016) point that consumers move from obeying institutional norms to redefining or rejecting them as they navigate across a turbulent environment.

During these periods of disruptive occurrences the networks of actors (e.g. consumers, workers, the state, government agencies) and their resources, that permit value co-creation across linked systems, operate outside of normal institutional conditions. In such incidents, individual consumers become ‘challengers’ (Skalen et al., 2015) and take proactive action and mobilise resources (e.g. knowledge, skills, information) to enhance their own well-being and that of others around them, as was indicated by Hiba at the start of the paper. These challengers also act as actors of change and may contradict institutional norms. When this occurs, challengers go against the ‘incumbents’ (e.g. the State, government agencies) and locate unorthodox ways of transcending institutional boundaries. Skalen et al. (2015) illustrate how many actors’ e.g. Syrian activists, health and financial institutions used technological tools (social media, smartphones and media outlets) to narrate alternative coverage of the Syrian civil conflict and

navigate around government censorship. They conclude that service system transformations are embedded within conflict and ‘external shocks’ (akin to disruptive events) can cause contention or incidents between challengers and incumbents.

In line with Barrios et al. (2016), we concur that social conflicts are fractured by disruptive events but they can also contribute to its revitalisation; an issue that bears significance with the TSR agenda and its emphasis promoting well-being and improving the quality of life for community members (Anderson and Ostrom, 2015). We note the paucity of studies that have contextualised this perspective in the case of service ecosystems and stress the need to tackle this further.

## METHODS

This study entailed a qualitative interpretivist approach as the emphasis was on gathering “thick descriptions” (Spiggle, 1994). As service ecosystems are considered complex and involve a range of actors (Akaka and Vargo, 2015), we elected to consolidate our focus on one specific actor; that of the consumer. Through the use of snowball sampling, sixty-seven semi structured interviews were conducted amongst Egyptian (26 respondents), Libyan (16 respondents) during a period of disruption due to the Arab Spring (March-April 2013) and also 25 Iraqi respondents in August 2017, a time when Iraq has tried to recover from militant insurgency in the country. Similar to Baron et al. (2017), our methodological approach allowed us to ask basic questions such as what do the actors do within disruptive events and how do they react to various service encounters, who do they do it with and why. Egyptian respondents were either current MBA students or business managers and were from a range of backgrounds within the business and sub-business disciplines. Libyan respondents were either working citizens, employees or university lecturers and Iraqi respondents were either working citizens, government ministers or business managers. Interviews lasted approximately forty-five minutes to one hour each. The data is presented using anonymised names.

Nvivo 10 was used to code the data. The first coding phase involved initial (open) coding. Within this phase, several sub coding methods were deployed. These included provisional coding, line-by-line coding, simultaneous coding, values coding, versus coding and in-vivo coding (Saldaña, 2013). Our coding resulted in two main themes which were: 1) Disruption and community building and 2) Disruption and consumer well-being.

## FINDINGS\*

### Disruption and Community building

We witnessed a heavily regulated institutional environment characterised by uncertainty and heavy regime censorship. For example, in Egypt and Libya regimes shut down local food service businesses (e.g. cafes and restaurants) because it was believed that some citizens might engage in anti-regime conversation discourses. A similar scenario was witnessed in Iraq, but institutionally, the incumbents in this case were members of government and other opposing factions that would wage through Iraqi districts and warn business owners and their customers not to engage in extensive political discussions;

*“In the past, my pharmacy used to be like a café and local residents would come by not only to buy medicines but to sit and have a chat”. Now, most of my customers just come in and out because they’re afraid of speaking their mind in case the wrong person (i.e. opposition groups) might hear and take action. (Reem, Iraq)*

Similarly, in Egypt, a sense of polarisations in society could be considered an incumbent actor and skewed societal relations between diverse cultural and religious groups during but especially following the revolution;

*“the social community is divided between political thoughts, which control everything in our life [...] political thoughts affect deeply, the social relations, even in the family. We don't have the culture of how to be diversified in our thoughts and respect ourselves so we struggle to reach a common position where we can achieve our aspirations together.” (Hosni, Egypt)*

Such tensions have caused further divisions in society and dented efforts from local citizens to disseminate community building efforts. However, many have attempted to counteract polarisations and some have taken many previously common ‘street’ conversations to the private space of the home. This sense of community spirit was evident as citizens tried to escape the disruption causes by the challengers and incumbents

*“To be honest, although we are still deprived of many international food products that many neighbouring countries have, we still maintain our Iraqi tradition and cook feasts for the local community. This brings everyone together. We don't care what other enemies are trying to do, they just want to divide us, but our community spirit brings us together. It's a great feeling.” (Reem, Iraq)*

*“During the Libyan revolution, in my neighbourhood, we had local guys acting as guards [...] they carried weapons to defend us. We weren't interested in going out on the streets and fighting against the regime. We fought in another way [...] we used to hold gatherings in different houses each night and we used to eat, relax and enjoy telling each other stories. The regime might have destroyed our livelihoods but it can never take away our Libyan identity” (Aiman, Libya)*

In the face of disruption, citizens remained resolute and ready to fight the institutional norms, rules and practices in order to transcend the institutional barriers. Within these circumstances, these challengers changed the service eco-system encounters for the purpose of prosperity and well-being.

#### Disruption and Consumer Well-being

Actors have placed an emphasis on well-being by locating creative opportunities to engage in the service ecosystem. For instance, many of our respondents reflected that despite the severe disruption, they were adamant to ‘fill a void’ left by it (disruption) by consuming services and enjoying their time with friends and family.

*We know that we are taking a risk every time we go out, but it's one we are prepared to take. By going out to local shops or spending time in cafes or even shopping malls, we feel like we are actually living! (Mustafa, Iraq)*

Mustafa's comments are indicative of challenging the incumbents and going against institutional norms. Iraqi efforts to preserve well-being are grounded in filling a void by engaging in consumption and as a collective family unit. Many also speak about how services provide the means for promoting well-being and that they welcome western brands in helping to rebuild the local community and ‘make us feel more normal as people’ (Mustafa, Iraq) . It is precisely this sense of service involvement that has sparked Iraqi citizens' aspirations for more services to assume their operations in Iraq. Contrary to much of the discourse surrounding the establishment of services in a state of stability, Iraqi narratives firmly point to the enjoyment of services as a means of promoting consumer well-being. By remaining resilient, consumers

actively contribute to the flow of the service ecosystem in a state of disruption. A similar observation holds true in Libya, where following the revolution, Libyans felt liberated and able to consume services at their leisure.

*I noticed that the whole chain of products coming into the country is changing. Goods are coming into the ports daily instead of monthly [...] Libyans want to spend more now, they want to go out and buy foreign products [...] whole patterns of buying are changing and they want to make a connection with real brands (Shukry, Libya)*

Although very different politically and institutionally, Egyptians also revered the presence of local Egyptian services (e.g. restaurants, cafes and department stores like ‘Omar Effendi’) and acknowledge their importance post revolution in helping to shape the service ecosystem. For instance, many respondents discussed how during the revolution, local businesses suffered, but following the revolution, they have become important sites for collective gatherings and with it, consumer well-being:

*We used to love going to local markets but during the protests many businesses suffered. In Egypt, bargaining is a part of our culture. I remember going to Khan El Khalli [largest market in Cairo] and the local traders were reluctant to bargain [...] Now [post regime change], Egyptians are celebrating historical sites and flocking to visit them. We missed going to places like Gad, Cook Door [local Egyptian restaurants]. They are a part of who we are and led by Egyptians themselves!”(Mayssam, Egypt)*

Our preliminary findings suggests that a service ecosystem, although distorted in a severe state of disruption, has the resilience to recover. In effect, it is through the resources of the actors that assumed the role of challengers and defied the incumbents that contributed to the resurgence of localised services and community wellbeing.

## DISCUSSION AND CONCLUDING COMMENTS

In addressing our key agendas, this paper makes several contributions to the TSR literature. Firstly, we specifically illustrate how social conflict theory can contribute to understanding a service ecosystem across disruptive events. From our findings, we identify how challengers, adopting new norms and practices, opposed incumbents and mediated conflict in order to bring about a normality and well-being to themselves and the community. Secondly, in exploring the daily activities of the consumer, we perceive how the ordinary is made extraordinary during periods of conflict. We observe how actors engage in community building despite severe disruption and how they use disruption to their advantage to promote well-being. In addition, social tensions presented opportunities for value co-creation. For example, social conflicts in Iraq are alleviated to some degree by the bravery of Iraqi citizens to go out and engage in consumption despite severe risks (e.g. political instability and violence). Thirdly, by examining various countries in conflict, we gain a deeper insight into value co-creation and how this influences consumer well-being within a complex service ecosystem. Indeed, we contend that the transformation of service ecosystems across disruptive events is not unique to our contexts but also applicable to profit making and non-profit service firms (see Baron et al., 2017). Finally, we call on policy makers and service related firms to engage in a dialogue that seeks to enhance well-being and puts individuals first before profiteering or indeed growth activities (Barrios et al., 2016; Baron et al., 2017).

\* These are the preliminary findings to date and will be further analysed for the conference.  
*References available on request*